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WASHINGTON, D C 20548

RELEASED

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APR 28 1970

Dear Mr Teague

Reference is made to your letter dated February 13, 1970, requesting information on the funds now available under the Advance Acquisition of Land Program and any changes made in the last 8 months that have altered the requirements to qualify for this program Also, we are including information requested by a member of your staff on February 25, 1970

The Advance Acquisition of Land Program, authorized by the Housing and Urban Development Act of 1965, as amended (42 U.S.C. 3104), and administered by the Department of Housing and Urban Development (HUD), was recently terminated

On February 2, 1970, the HUD central office advised the HUD Regional Administrators that as of that date no additional applications for grants under this program would be accepted.

Termination of the program was one of 43 savings actions proposed by the President in the Budget for fiscal year 1971, released February 2, 1970 The actions, which the President stated in his message to the Congress on February 26, 1970, were within his authority to effect, were intended to reduce budget outlays by restructuring or terminating certain outmoded or uneconomic Federal programs.

The reasons for termination of the program was explained in a fact sheet dated February 26, 1970, released by the Office of the White House Press Secretary The fact sheet stated.

"\*\*\* States and localities have shown little interest in this program \*\*\* which provides only a minimal incentive for a very few communities to do long range planning "

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We noted from your constituent's letter, provided to us by a member of your staff, that he apparently believed that the Government would provide loans under the program. However, under the legislation, the Secretary of HUD was authorized to make only grants to States and local public bodies and agencies to pay interest costs on funds they had borrowed to acquire a fee simple estate or other interest in land.

The amount of each grant was limited to the aggregate amount of reasonable interest charges on the loans or other financial obligations incurred by the grantee to finance the acquisition of such land for a period not to exceed the lesser of (1) 5 years from the date of acquisition or (2) the period between the date of acquisition and the date the land began to be used for the purpose for which it was acquired.

The legislation provided further that the Secretary of HUD should not make a grant unless he determined that the land would be utilized for a public purpose within a reasonable period and that such utilization would contribute to the economy, efficiency, and comprehensively planned development of the area. In all cases, the land acquired had to be utilized for a public purpose within 5 years after the date of the contract unless the Secretary determined that, because of unusual circumstances, a longer period was necessary and in the public interest

Program authorization for the Advance Acquisition of Land Program amounted to \$25 million for each of 4 fiscal years—1966 through 1969—for a total authorization of \$100 million. The Housing and Urban Development Act of 1968 extended the \$100 million authorization through fiscal year 1970. Of this \$100 million authorization, \$5 million was appropriated in fiscal year 1966 and \$2.5 million in fiscal year 1970, for a total of \$7.5 million. As of January 31, 1970, fund reservations for the program totaled approximately \$5.6 million.

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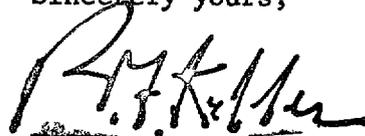
The following schedule shows, by fiscal year, the program activity.

<u>Fiscal year</u>	<u>Applications received</u>	<u>Grants requested</u>	<u>Grants approved</u>	<u>Amount funded</u>
1967	7	\$ 890,969	1	\$ 28,480
1968	9	1,309,502	7	1,355,155 <sup>a</sup>
1969	16	8,903,478	4	1,785,567
1970	<u>7</u>	<u>18,948,343</u>	<u>9<sup>b</sup></u>	<u>2,408,447</u>
Total	<u>39</u>	<u>\$30,052,292</u>	<u>21</u>	<u>\$5,577,649</u>

<sup>a</sup>The amount funded in fiscal year 1968 was greater than the grant requests for that year because of carry-overs from fiscal year 1967

<sup>b</sup>The grants approved in fiscal year 1970 exceeded the applications received in that year because of carry-overs from fiscal year 1969.

Sincerely yours,



*Assistant* Comptroller General  
of the United States

The Honorable Charles M Teague  
House of Representatives